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C O N F I D E N T I A L TAIPEI 001726

SIPDIS

E.O. 12958: DECL: 12/12/2018

TAGS: [PGOV](#) [TW](#)

SUBJECT: FORMER PRESIDENT CHEN SHUI-BIAN INDICTED FOR
CORRUPTION

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (b/d)

11. (SBU) Prosecutor General Chen Tsung-ming and Special Investigation Division (SID) head Chen Yun-nan held a press conference on December 12 to announce the indictments of 14 persons for offenses in one or more of four different corruption cases involving the family of former President Chen Shui-bian during Chen's term of office. The four cases are:

- embezzlement of money from the presidential State Affairs Fund;
- money laundering involving the transfer of funds to Switzerland via Singapore;
- taking bribes in the land deal scandal involving the Lungtan branch of the Hsinchu Science-Industrial Park; and,
- taking bribes in the Nangang Exhibition Hall construction project.

Former First Lady Wu Shu-jen was indicted for all four cases, Chen Shui-bian for the first three, and their son Chen Chih-chung and daughter-in-law Huang Jui-ching for the money laundering case only. The former first family's daughter Chen Hsing-yu, whose husband has been convicted of insider trading, was not implicated in the four cases. The prosecutors requested the "most severe sentence" for Chen Shui-bian, which, according to the media, they later acknowledged could mean life imprisonment for the former president. The prosecutors also requested heavy punishments for Wu Shu-jen, Chen Chih-chung, and Huang Jui-ching.

12. (SBU) The case of Chen Shui-bian, who has been in detention since November 12, is being transferred today from the SID to the Taipei District Court. Chen will appear in court late today for his formal indictment and a hearing on whether to release him on bail or continue his detention. The prosecutors have said they will request his continued detention while other investigations are underway. Following his indictment, Chen will face trial before a panel of judges in the Taipei District Court. Taiwan has a three-stage trial process, and the process could take years to complete.

13. (SBU) SID is continuing several other investigations of Chen Shui-bian, his family and associates. These involve alleged corruption in the second financial reform process, alleged corruption in "confidential diplomacy," and mishandling of classified documents. When these investigations are completed, Chen may well face further indictments. His wife Wu Shu-jen was first indicted in November 2006 on charges of embezzlement from the State Affairs Fund, but her repeated failure to appear in court because of health reasons has stymied the process of her trial.

Comment

¶4. (C) In their press conference and in the 281-page indictment, the prosecutors were highly critical of Chen Shui-bian's behavior, lack of repentance and disrespectful attitude toward the law and judicial process. This is reflected in their request for the "most severe sentence" for the former president. The indictment has been long expected and will not come as a surprise either to Chen's opponents or supporters. There are few neutral observers of this process, where politics generally defines where you stand on the merits of the case against Chen and his family. However, the criticism of Chen's attitude and the request for heavy sentences against Chen, his wife, son, and daughter-in-law are likely to rankle Chen's Deep Green supporters. It is too early to say what would happen if Chen is sentenced to prison, but some people here have recommended that President Ma consider a pardon in the interests of reducing political polarization and confrontation.
SYOUNG